THE ACTING DIRECTOR OF THE DIVISION OF STATE LANDS & FORESTRY TOOK FORMAL ACTION ON FEBRUARY 22, 1993, AT 9:30 A.M. IN THE DIVISION OF STATE LANDS & FORESTRY OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

#### MINERAL ESTATE BUSINESS MATTERS

#### MINERAL LEASE APPLICATIONS

#### OIL, GAS, AND HYDROCARBON LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Blake, the Acting Director approved the Oil, Gas, and Hydrocarbon lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands and Forestry. The application has been checked by the Minerals Section and found to be in order. The land status has been examined and the lands found to be open and available.

Mineral Lease Appl. No. 45791 Andover Partners 1001 Fannin #2000 Houston, TX 77002 T20S, R8E, SLB&M. Emery County
Sec. 16: All 1,310.00 acres
Sec. 19: Commencing at
the NW corner of
the NE% of sec.;
th running E 60

th running E 60 rods; th S 80 rods; th N 80 rods; th N

of beg.

Sec. 32: All

Application Date: February 9, 1993

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## MINERAL LEASE APPLICATIONS (CONT'D)

## GEOTHERMAL STEAM LEASE APPLICATION - APPROVED

Upon the recommendation of Mr. Bonner, the Acting Director approved the Geothermal Steam lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands and Forestry. The application has been checked by the Minerals Section and found to be in order. The land status has been examined and the lands found to be open and available. The review date for this lease is March 1, 1998.

Mineral Lease Appl. No. 45790 Lewis J. Katz 3521 Westwood Drive Salt Lake City, UT 84109

T30S, R12W, SLB&M. Beaver County Sec. 22: SE¼, E½SW¼, 320.00 acres

SYNEY

Application Date: February 1, 1993

A credit of \$320.00 from MLA 45758 is to be applied to the deficient amount on this application.

ACCEPTANCE OF CD NO. 961185 AND RELEASE OF SURETY BOND NO. 900804623

# --STATE OF UTAH COAL LEASES ML 21568 AND ML 21569

Nevada Electric Investment Company, 2835 South Jones Blvd., Las Vegas, NV, has submitted CD No. 961185 in the amount of \$400,280.00 with First Security Bank to replace Surety Bond No. 900804623 which was posted with the Division on January 12, 1993.

Upon recommendation of Mr. Blake, Kevin Carter, the Acting Director, accepted CD No. 961185 and released Surety Bond No. 900804623. Nevada Electric Investment or its agents will, in the near future, submit another surety bond to replace CD No. 961185 at which time the Division will take action to release CD No. 961185.

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## RELEASE OF STATE OF UTAH STATEWIDE BOND OF LESSEE, BOND NO. 93-57-98

On April 18, 1983, the Director accepted a \$50,000 State of Utah Statewide Bond of Lessee from Union Texas Petroleum Corporation, to cover their oil and gas exploration and development operations on State lands. The surety is Seaboard Surety Company, Bond No. 93-57-98.

Union Texas Petroleum Corporation, has requested release of this bond as the properties covered by this bond have been sold to Meridian Oil Company; therefore they are no longer in need of this bond.

Upon recommendation of Mr. Bonner, Kevin Carter, the Acting Director, approved the release of State of Utah Statewide Bond of Lessee, Bond No. 93-57-98.

# TOTAL ASSIGNMENTS -- OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of the leases listed below to Atlantic Richfield Company, P.O. Box 600, Dallas, TX 75221, by Andover Partners, who reserves 5% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP:

ANDOVER PARTNERS

....ML 45428....ML 45429....ML 45430....

### INTEREST ASSIGNMENTS -- OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the leases listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc., who reserves 5% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: TEXACO EXPLORATION AND PRODUCTION INC.

....ML 38664....ML 38669....ML 38828....ML 38829....ML 38831....

....ML 38832....ML 39915....ML 40115....ML 41669....

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## INTEREST ASSIGNMENTS -- OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the leases listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc., who reserves .8333% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: TEXACO EXPLORATION AND PRODUCTION INC.

....ML 39336....ML 40521....

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the leases listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc., who reserves .833% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: TEXACO EXPLORATION AND PRODUCTION INC.

....ML 42894....ML 42895....ML 43021....ML 43022....ML 43023....
....ML 43024....ML 43033....ML 43035....ML 43212....

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the lease listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc. No override, but subject to 1.8333% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: TEXACO EXPLORATION AND PRODUCTION INC.

....ML 43209....

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the leases listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc. No override, but subject to 2.0833% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: TEXACO EXPLORATION AND PRODUCTION INC.

....ML 39333....ML 39334....ML 39335....ML 39916....

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# INTEREST ASSIGNMENTS -- OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the leases listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc. No override, but subject to 2.084% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP:

TEXACO EXPLORATION AND PRODUCTION INC.

....ML 43034....ML 43416....

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the lease listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc. No override, but subject to 3.333% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP:

TEXACO EXPLORATION AND PRODUCTION INC.

....ML 39865....

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the leases listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc. No override, but subject to 3.33% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP:

TEXACO EXPLORATION AND PRODUCTION INC.

....ML 40368....ML 40369....

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the lease listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc. No override, but subject to 3.3334% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: TEXACO EXPLORATION AND PRODUCTION INC.

....ML 43554....

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# INTEREST ASSIGNMENTS -- OIL, GAS, AND HYDROCARBON LEASES (CONT'D)

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the leases listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc. No override, but subject to 6.25% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: TEXACO EXPLORATION AND PRODUCTION INC.

....ML 38665....ML 38666....ML 38667....ML 38668....ML 38830....
....ML 39038....ML 39045....

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 50% interest in and to the lease listed below to River Gas of Utah, Inc., 3600 Watermelon Road, Suite 204, Northport, AL 35476, by Texaco Exploration and Production Inc., who reserves 3% overriding royalty, in addition to 2% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: TEXACO EXPLORATION AND PRODUCTION INC.

....ML 44726....

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 75% interest in and to the lease listed below to McCullis Resources Co., Inc., 621 17th Street, Suite 2155, Denver, CO 80293, by PG&E Resources Company. No override, but subject to 7.6875% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: PG&E RESOURCES COMPANY--75%, AND CHORNEY OIL COMPANY--25%

....ML 21020....

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# OPERATING RIGHTS ASSIGNMENTS -- OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Acting Director approved the assignment of 15% interest in operating rights from the surface of land to the stratigraphic equivalent of 8,218 feet below the surface as encountered in the Evacuation Creek A#1 Well in SW\nE\nabla Sec. 2, T12S, R25E, SLB&M., in part of leased lands: NE\nabla Sec. 2, T12S, R25E, SLB&M., in and to the lease listed below to Texaco Exploration and Production, Inc., 4601 DTC Boulevard, Denver, CO 80237, by Marathon Oil Company. No override, but subject to 12.5% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP:

TEXACO EXPLORATION AND PRODUCTION INC.

OPERATING RIGHTS: FROM SURFACE TO STRATIGRAPHIC EQUIVALENT OF 8,218 FEET BELOW THE
SURFACE AS ENCOUNTERED IN THE EVACUATION CREEK
A#1 WELL IN SW\{\frac{1}{2}\) SEC. 2, T12S, R25E, SLB&M.

MESA VERDE FORMATION
T12S, R25E, SLB&M.
Sec. 2: NE¼, NE¼SW¼

MARATHON OIL COMPANY--100%

....ML 28043....

SURFACE ESTATE BUSINESS MATTERS

### GRAZING PERMIT

#### GP 20963 WAIVER OF AUM'S

John J. Petitti, RFD #3 Box 101, Price, Utah 84501, has requested the Division's permission to waive 78.5 AUM's of grazing privileges in the West Price Allotment to Bob Gitlin, 398 West 2900 South, Price, Utah 84501. The waiver fees have been submitted to the Division. Carbon County.

Upon the recommendation of Mr. Williams, Mr. Kappe approved the waiver of grazing privileges in the West Price Allotment.

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#### RIGHT OF ENTRY

#### ROE 3650

On February 19, 1993, the Acting Northern Region Manager, H. Barry Tripp, pursuant to R640-41 approved the request of the Emery industrial Resources, Inc., PO Box 113, Price, Utah, 84501, to use the following-described State land, beginning February 19, 1993, for the purpose of the use of an existing road south of State Highway 50 and situated in:

T11S, R8E, SLB&M Sec. 25: Within SE4NW4

Utah County 40.00 Acres

The fee for this non-exclusive right of entry permit is a usage fee of \$150.00, plus a \$50.00 application fee, totaling \$200.00. These fees will be credited to the School fund. The beginning date of this one-year right of entry permit is 2/19/93 with an expiration date of 2/28/94.

#### SPECIAL USE LEASE

### SPECIAL USE LEASE AGREEMENT 347 (ANNUAL REVIEW):

SULA No. 347 is leased to Triple C Farms, Inc., c/o Jerry Coates, Box 157, Holden, Ut. 84636.

#### ANNUAL RENTAL:

The annual review date for this lease is April 1, 1993. The subject property is used for agricultural purposes. Based upon Board-approved index for this type of lease, it is recommended that the lease fee be increased from \$4000.00/year to \$4020.00/year effective April 1, 1993. This represents an .6% increase for this lease type, for the period of time from April 1990 to present. A notice was sent to the lessee and no response was received.

New lease fee \$4020.00 divided by the acres in lease, 480 = \$8.38 /acre.

#### DUE DILIGENCE:

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

## PROPER USE:

The leased premises are being used in accordance with the lease agreement.

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#### SPECIAL USE LEASE (CONT'D)

# SPECIAL USE LEASE AGREEMENT 347 (ANNUAL REVIEW) (cont'd) :

ADEQUATE BOND COVERAGE: A bond was not required.

ESTABLISHMENT OF WATER RIGHTS:

The water rights associated with this lease are owned by the lessee.

POLLUTION AND SANITATION REGULATIONS:

The lessee is in compliance with the pollution, sanitation and waste provisions of the lease.

NEXT REVIEW DATE:

April 1, 1994.

Upon Mr. Brown's recommendation, Kevin Carter, the Acting Director, approved the annual review for SULA 347.

## SPECIAL USE LEASE NO. 782 (FIVE-YEAR REVIEW)

SULA 782 is issued to William Nielson, P.O. Box 173, Randolph, Ut., 84064.

## ANNUAL RENTAL

As specified in the lease document, the initial review date for this lease is June 1, 1993. The subject property is used for agricultural purposes, specifically a stock yard. Paragraph 2 of the lease agreement specifies that the lease fee be increased from \$250.00 per year to \$400.00 per year, effective June 1, 1993. A certified notice was sent to the lessee informing them of the date of this action and the right to oppose and/or appeal the action. No response was received within the appropriate time period.

New lease fee: \$400.00 divided by Acres in the lease: 10.00 = \$/Acres: \$40.00.

#### 2. **DUE DILIGENCE**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force and renewed for this one year period.

#### 3. PROPER USE

The leased premises are being used in accordance with the lease agreement.

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## SPECIAL USE LEASE (CONT'D)

# SPECIAL USE LEASE NO. 782 (FIVE-YEAR REVIEW) (cont'd)

## 4. ADEQUATE BOND COVERAGE

A bond has not been required.

# 5. ESTABLISHMENT OF WATER RIGHTS

No water rights are associated with this lease.

# 6. POLLUTION & SANITATION REGULATIONS

The lessee is in compliance with the pollution, sanitation, and waste provisions of the lease.

# 7. NEXT REVIEW DATE

June 1, 1996, as specified in the lease.

Upon the recommendation of Mr. Fullmer, the Acting Director, Kevin Carter, approved the five-year review of SULA 782.

#### PREDESIGNATIONS

# PREDESIGNATION NO. 79 - Kane Springs Land Block Disposal

The surface estate of the following-described tracts of land were designated by the Board of State Lands and Forestry on September 16, 1988, for disposal by public sale and/or exchange.

T26S, R21E, SLB&M	San Juan & Grand Counties
Sec. 29: ₩½E½, ₩½	480.00 acres
Sec. 30: Lots 1, 4, 5, 7, E\( \)SW\( \) SE\( \)	362.93 "
Sec. 31: Lots 1, 3, E½, E½W½	537.18 "
Sec. 32: All	640.00 "
Sec. 33: W½	320.00 "
T27S, R21E, SLB&M	
Sec. 3: Lots 1, 2, 3, 4, S\(\frac{1}{2}\)N\(\frac{1}{2}\)	340.36 "
Sec. 4: All	659.04 "
Sec. 5: All	658.36 "
Sec. 6: Lots 1, 2, 7, 8, 13, E\seta, SE\setaNE\seta	300.66 "
Sec. 8: Lots 1, 2, 3, 4, NE <sup>1</sup> / <sub>4</sub>	251.29 "
Sec. 9: N <sup>1</sup> / <sub>2</sub>	320.00 "

These parcels have a previous history of uranium mining and other mineral exploration. It was felt that the property would not appreciate in value and the potential for future surface development on it would be very unlikely. Division records should be noted to show the lands as designated for disposal.

This item was submitted by Ms. Durrant for record-keeping purposes.

# CANCELLED MINERAL LEASES

The following mineral leases are those not paid on or before the cancellation date of January 8, 1993. Certified notices were mailed.

NAME	ACCOUNT NO.	TYPE
Chief Consolidated Mining	ML 18566	MM
Magic Circle Energy Corp.	ML 20696	os
Magic Circle Energy Corp.	ML 20704	os
Standard Silver Corp.	ML 21939	MM
Teral & Preston Bown	ML 34906	BS
Ernest H. Cockrell	ML 39585	OGH
Chevron PBC Inc.	ML 42705	OGH
Chevron PBC Inc.	ML 42706	OGH
Union Oil Co. of CA	ML 42713	OGH
Source Petroleum Co.	ML 43123	OGH
Joan Chorney	ML 43127	OGH
Joan Chorney	ML 43129	OGH
Joan Chorney	ML 43130	OGH
Joan Chorney	ML 43131	OGH
Coastal Oil & Gas Corp.	ML 43145	OGH
Coastal Oil & Gas Corp.	ML 43146	OGH
Coastal Oil & Gas Corp.	ML 43148	OGH
Coastal Oil & Gas Corp.	ML 43149	OGH
Denver G P	ML 43153	OGH
Raymond Chorney	ML 43159	OGH
Raymond Chorney	ML 43178	OGH
Raymond Chorney	ML 43185	OGH
Thomas Edward Gast et al	ML 43186	OGH
Mitchell A. Leakas	ML 43187	OGH
Denver G P	ML 43662	OGH
Raymond Chorney	ML 43670	OGH
Denver G P	ML 43675	OGH
Denver G P	ML 43678	OGH
Denver G P	ML 43679	OGH
Coastal Oil & Gas Corp.	ML 43681	OGH
Raymond Chorney	ML 43687	OGH
Raymond Chorney	ML 43688	OGH
Texaco Exploration	ML 44197	OGH
Texaco Exploration	ML 44198	OGH
Texaco Exploration	ML 44199	OGH
Mark L. Bassham	ML 44201	OGH
Andover Partners	ML 44203	OGH
Chorney Oil Company	ML 44204	OGH
Chorney Oil Company	ML 44206	OGH
Lancaster Corp. et al	ML 44208	OGH

# CANCELLED MINERAL LEASES (CONT'D)

NAME	ACCOUNT NO.	TYPE
Chorney Oil Company et al Lancaster Corp. et al Lancaster Corp. et al Chorney Oil Company et al Chorney Oil Company et al Corbin J. Robertson Chorney Oil Company et al Andover Partners et al Andover Partners et al Coors Energy Company Chorney Oil Company Richard A. Bassham Cortex Mining & Expl. Co. William A. Pope Jr. William A. Pope Jr. Beard Oil Company Petrolex Corp. Gerald T. Russo Foster T. Howland Foster T. Howland Teck Resources Inc. Geokinetics Inc. Chevron PBC Inc.	ML 44209 ML 44210 ML 44212 ML 44213 ML 44214 ML 44216 ML 44217 ML 44218 ML 44220 ML 44220 ML 44220 ML 44594 ML 44599 ML 44599 ML 44599 ML 45116 ML 45119 ML 45121 ML 45121 ML 45121 ML 45123 ML 45131 ML 45132 ML 45133 ML 45133 ML 45133 ML 45134 ML 45135 ML 45495 ML 45495 ML 45497	OGH
Global Minerals Inc. Lockard & Robbins, Inc.	ML 45501 U-51770-St	OS O&G

Upon recommendation of Mr. Johnson, the Acting Director, Kevin Carter, approved the cancellation of the above-stated mineral leases.

### CANCELLED SPECIAL USE LEASE AGREEMENT

The following Special Use Lease is one not paid on or before the cancellation date of January 8, 1993. A certified notice was mailed.

NAME

ACCOUNT NO.

COUNTY

Cyprus Western Coal Co.

SULA 288

Carbon

Upon recommendation of Mr. Johnson, the Acting Director, Kevin Carter approved the cancellation of the above-listed SULA.

## CANCELLED RIGHTS-OF-WAY

The following Rights-of-Way are those not paid on or before the cancellation date of January 8, 1993. Certified notices were mailed.

NAME	ACCOUNT NO.	COUNTY
Texas New Mexico Pipeline Texas New Mexico Pipeline Texas New Mexico Pipeline Four Corners Pipeline Co. Four Corners Pipeline Co. Garkane Power Association Wayne Cox Colorado Interstate Gas Northwest Pipeline Corp. Denver & Rio Grande Koch Hydrocarbon Co. Koch Hydrocarbon Co. R. J. Rickenbach	ROW 513 ROW 538 ROW 539 ROW 555 ROW 672 ROW 1019 ROW 1421 ROW 2128 ROW 2275 ROW 2825 ROW 3186 ROW 3204 ROW 3235	San Juan San Juan San Juan San Juan San Juan Garfield Kane Uintah Duchesne Emery San Juan San Juan
Lynn Christensen et al	ROW 3272	Sevier Washington

INTEREST RATE

CURRENT YEAR

YEAR AGO

Base Rate

6.00

6.50

CANDEE H. PENMAN, SECRETARY

ARCHIVES APPROVAL NO. 7900209

KEVIN CARTER, ACTING DIRECTOR DIVISION OF STATE LANDS & FORESTRY

2/22/93

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